



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**MARK A. EMKES
COMMISSIONER**

FOR IMMEDIATE RELEASE
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FEBRUARY REVENUES

NASHVILLE – Tennessee tax collections continued a slow upward trend in February. Department of Finance and Administration Commissioner Mark Emkes today announced that overall February revenues were \$669.7 million, which is \$7.2 million more than the state budgeted. Although the over collection is modest, it's the seventh consecutive month of positive growth this fiscal year. February sales tax collections, which reflect consumer spending that occurred during January, recorded the 11th consecutive month of positive growth.

"The healthy growth rate in sales tax collections for February continues to reflect optimistic consumer confidence and clearly indicates an improving economy in Tennessee," Emkes said.

"Governor Bill Haslam will present his first budget to the General Assembly next week, and it will be a conservative, fiscally responsible and balanced budget. We'll work closely with the legislature to ensure we end this fiscal year not only in a balanced posture, but well prepared for the years ahead."

On an accrual basis, February is the seventh month in the 2010-2011 fiscal year.

The general fund was over collected by \$8.6 million and the four other funds were under collected by \$1.4 million.

Sales tax collections were \$8.5 million more than the estimate for February. The February growth rate was positive 4.89%. The year-to-date growth rate for seven months is positive 3.99%.

Franchise and excise taxes combined were \$2.4 million below the budgeted estimate of \$35.3 million. For seven months revenues are over collected by \$54.2 million. The year-to-date growth rate for seven months is 10.65%.

Gasoline and motor fuel collections for February increased by 1.72%, but were \$107,000 below the budgeted estimate of \$69.8 million. For seven months revenues are over collected by \$10.7 million.

Tobacco tax collections were \$1.4 million under the budgeted estimate of \$21.8 million. For seven months revenues are under collected in the amount of \$3.1 million.

All other taxes were over collected by a net of \$2.6 million.

Year-to-date collections for seven months were \$144.2 million more than the budgeted estimate. The general fund was over collected by \$123.5 million and the four other funds were over collected by \$20.7 million.

The budgeted revenue estimates for 2010-2011 are based on the State Funding Board's consensus recommendation of April 7, 2010 and adopted by the second session of the 106th General Assembly in June. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

**REVENUE COLLECTIONS
FEBRUARY, 2011, AND 7 MONTHS YEAR-TO-DATE**

February Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$513,496,000	\$522,089,000	\$8,593,000
Highway Fund	57,606,000	55,551,000	(2,055,000)
Sinking Fund	30,223,000	30,282,000	59,000
City & County Fund	59,143,000	59,706,000	563,000
Earmarked Fund	2,050,000	2,051,000	1,000
Total	\$662,518,000	\$669,679,000	\$7,161,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$4,507,352,000	\$4,630,868,000	\$123,516,000
Highway Fund	376,760,000	377,023,000	263,000
Sinking Fund	215,218,000	215,872,000	654,000
City & County Fund	429,343,000	449,105,000	19,762,000
Earmarked Fund	14,351,000	14,351,000	0
Total	\$5,543,024,000	\$5,687,219,000	\$144,195,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	February			
	2010	2011	Change	Percent
Franchise & Excise	\$34,448,000	\$32,866,000	(\$1,582,000)	-4.59%
Income	1,840,000	3,170,000	1,330,000	72.28%
Inheritance & Estate	5,765,000	7,201,000	1,436,000	24.91%
Gasoline	50,911,000	51,066,000	155,000	0.30%
Petroleum Special	4,974,000	5,152,000	178,000	3.58%
Tobacco	19,131,000	20,491,000	1,360,000	7.11%
Beer	1,274,000	1,085,000	(189,000)	-14.84%
Motor Vehicle Registration	19,741,000	20,399,000	658,000	3.33%
Motor Vehicle Title	808,000	817,000	9,000	1.11%
Mixed Drink	4,818,000	4,505,000	(313,000)	-6.50%
Business	8,390,000	13,069,000	4,679,000	55.77%
Privilege	11,024,000	12,178,000	1,154,000	10.47%
Gross Receipts	43,000	27,000	(16,000)	-37.21%
TVA - In Lieu of Tax Payments	26,498,000	26,095,000	(403,000)	-1.52%
Alcoholic Beverage	2,474,000	2,698,000	224,000	9.05%
Sales and Use	434,032,000	455,267,000	21,235,000	4.89%
Motor Vehicle Fuel	12,593,000	13,439,000	846,000	6.72%
Severance	213,000	160,000	(53,000)	-24.88%
Coin-operated Amusement	2,000	1,000	(1,000)	-50.00%
Unauthorized Substance	(34,000)	(7,000)	27,000	NA
Total	\$638,945,000	\$669,679,000	\$30,734,000	4.81%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - February			
	2009-2010	2010-2011	Change	Percent
Franchise & Excise	\$607,864,000	\$672,617,000	\$64,753,000	10.65%
Income	12,351,000	17,418,000	5,067,000	41.03%
Inheritance & Estate	42,795,000	54,195,000	11,400,000	26.64%
Gasoline	354,476,000	368,261,000	13,785,000	3.89%
Petroleum Special	36,073,000	37,266,000	1,193,000	3.31%
Tobacco	167,803,000	165,015,000	(2,788,000)	-1.66%
Beer	9,787,000	10,889,000	1,102,000	11.26%
Motor Vehicle Registration	124,803,000	127,246,000	2,443,000	1.96%
Motor Vehicle Title	5,680,000	5,972,000	292,000	5.14%
Mixed Drink	31,959,000	32,348,000	389,000	1.22%
Business	18,795,000	50,531,000	31,736,000	168.85%
Privilege	106,550,000	105,897,000	(653,000)	-0.61%
Gross Receipts	13,902,000	9,375,000	(4,527,000)	-32.56%
TVA - In Lieu of Tax Payments	185,418,000	190,649,000	5,231,000	2.82%
Alcoholic Beverage	26,585,000	27,514,000	929,000	3.49%
Sales and Use	3,575,725,000	3,718,395,000	142,670,000	3.99%
Motor Vehicle Fuel	86,788,000	92,512,000	5,724,000	6.60%
Severance	1,343,000	1,464,000	121,000	9.01%
Coin-operated Amusement	66,000	89,000	23,000	34.85%
Unauthorized Substance	(1,718,000)	(434,000)	1,284,000	NA
Total	\$5,407,045,000	\$5,687,219,000	\$280,174,000	5.18%

Table 3
August - February Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 85,200,000	\$ (100,000)	\$ 85,100,000
Income Tax	2,800,000	1,500,000	4,300,000
Inheritance Tax	13,700,000	0	13,700,000
Privilege Tax	(10,700,000)	0	(10,700,000)
Business Tax	(27,100,000)	0	(27,100,000)
TVA	12,900,000	9,900,000	22,800,000
Gross Receipts	(4,200,000)	0	(4,200,000)
Gasoline & Motor Fuel Taxes	500,000	10,200,000	10,700,000
Motor Vehicle Registration	(600,000)	(1,300,000)	(1,900,000)
Other Taxes	(3,200,000)	500,000	(2,700,000)
Tobacco	(3,100,000)	0	(3,100,000)
Beer	400,000	200,000	600,000
Motor Vehicle Title	0	0	0
Mixed Drink	200,000	200,000	400,000
Alcoholic Beverage	0	0	0
Severance	100,000	100,000	200,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(800,000)	0	(800,000)
Sub-Total	\$ 69,300,000	\$ 20,700,000	\$ 90,000,000
F & E Taxes	54,200,000	0	54,200,000
Total	\$ 123,500,000	\$ 20,700,000	\$ 144,200,000